

# Senate Study Bill 1188

SENATE FILE \_\_\_\_\_  
BY (PROPOSED COMMITTEE ON  
WAYS AND MEANS BILL BY  
CHAIRPERSON McKIBBEN)

Passed Senate, Date \_\_\_\_\_ Passed House, Date \_\_\_\_\_  
Vote: Ayes \_\_\_\_\_ Nays \_\_\_\_\_ Vote: Ayes \_\_\_\_\_ Nays \_\_\_\_\_  
Approved \_\_\_\_\_

## A BILL FOR

1 An Act relating to criteria for community-based seed capital  
2 funds and providing a retroactive applicability date.  
3 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:  
4 TLSB 2256SC 80  
5 tm/sh/8

PAG LIN

1 1 Section 1. Section 15E.45, subsection 2, paragraph b, Code  
1 2 2003, is amended to read as follows:  
1 3 b. The fund has, on or after January 1, 2002, a total of  
1 4 both capital commitments from investors and investments in  
1 5 qualifying businesses of at least five hundred thousand  
1 6 dollars, but not more than three million dollars. However, if  
1 7 a fund is a rural business investment company under the rural  
1 8 business investment program of the federal Farm Security and  
1 9 Rural Investment Act of 2002, Pub. L. No. 107=171, the fund  
1 10 may qualify notwithstanding having capital in excess of the  
1 11 limits set forth in this paragraph as long as the fund  
1 12 otherwise meets the requirements of this subsection.

1 13 Sec. 2. APPLICABILITY DATE. This Act applies  
1 14 retroactively to January 1, 2002, for tax years beginning on  
1 15 or after that date.

1 16 EXPLANATION

1 17 This bill relates to criteria for community-based seed  
1 18 capital funds.

1 19 Currently, one of the criteria for a qualifying community=  
1 20 based seed capital fund is that the fund, on or after January  
1 21 1, 2002, has a total of both capital commitments from  
1 22 investors and investments in qualifying businesses of at least  
1 23 \$500,000, but not more than \$3 million. The bill provides  
1 24 that this criteria may be waived for a fund that is a rural  
1 25 business investment company under the federal rural business  
1 26 investment program if the fund meets all other criteria.

1 27 The bill applies retroactively to January 1, 2002, for tax  
1 28 years beginning on or after that date.

1 29 LSB 2256SC 80

1 30 tm/sh/8

1 31

1 32

1 33

1 34

1 35